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TO RUEHC/SECTATE WASHDC IMMEDIATE 4379
INFO RUEHZS/ASSOCIATINN OF SOUTHEAST ASIAN NATIONS IMMEDIATE
RUEHBJ/AMMQBASSY BEIJING IMMEDIATE 3440
RUEHBY/AMEMBASSY CANBERRA IMMEDIATE 9472
RUEHKO/AMEMBASSY TOKYO IMMEDIATE 9800
RUEHWL/AMEMBASSY WELLINGTON IMMEDIATE 0824
RUEHIN/AIT TAIPEI IMMEDIATE 1802
RHHMUNA/CDR USPACOM HONOLULU HI IMMEDIATE
RHHMUNA/USCINCPAC HONOLULU HI IMMEDIATE
RUCNDT/USMISSION USUN NEW YORK IMMEDIATE 0448

C O N F I D E N T I A L SECTION 01 OF 02 JAKARTA 006248

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E.O. 12958: DECL: 05/17/2016

TAGS: PREL CH TW ID

SUBJECT: JAKARTA EMBARRASSED BY "UNPLANNED" CHEN STOPOVER

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Classified By: B. Lynn Pascoe, Ambassador. Reason: 1.4 (b, d)

- 11. (C/NF) Summary. Taiwanese President Chen Shui-bian's May 11-12 "refueling stopover" on the Indonesian island of Batam turned into an overnight visit that included a tour of an industrial park and a dinner hosted by the Taiwanese business community with the provincial governor in attendance. The PRC, of course, issued a strong protest. The incident shows every sign of being orchestrated by Indonesian and Taiwanese business interests, and was possibly condoned by Vice President Jusuf Kalla. After initial disarray and following protests by the Chinese, the GOI has restated its adherence to the One China policy. President Yudhoyono was angered by the event, for which he apparently received no forwarning. The PRC representative here appears to be taking the incident in stride. End summary.
- 12. (SBU) On the evening of Thursday, May 11, the plane carrying Taiwanese President Chen Shui-bian and his party from a visit to Libya requested permission to stop for refueling in Batam. (Batam, an Indonesian island off the coast of Sumatra, is the site of a special economic development zone that has been successful due to special arrangements with neighboring Singapore.) According Indonesia's Ambassador to China Sudrajat, the Ministry of Transportation granted permission for a two-hour layover and requested the party to depart by midnight. However, the crew, saying they were required to rest before continuing, then asked permission to overnight.
- 13. (C/NF) A contact at the Batam Development Agency told Consulate Medan that President Chen was met by representatives of the Taiwanese business community, who hosted him at a dinner and gave him a tour of Batam Indo Industrial Park. This welcome was not spontaneous; Taiwan is a major investor in Batam's light industry and manufacturing sector. Our contact hinted that the GOI was also aware of Chen's activities. In a May 13 conversation with the Ambassador, Presidential adviser Dino Patti Djalal said President Yudhoyono was furious and blamed "Kalla's boys," i.e., businessmen acting with the blessing of the Indonesian Vice President. Riau Islands Province Governor Ismeth Abdullah was present at the dinner, and President Chen was reported to have met with a member of the Vice President's Staff and several members of Indonesia's House of Representatives.

- 14. (SBU) News of Chen's visit caused an uproar in Jakarta. Coordinating Minister for Security, Legal, and Political Affairs Widodo initially said that the GOI had not authorized the stopover, and that President Yudhoyono had ordered an inquiry. Foreign Minister Hassan Wirajuda, however, seemed to contradict him at first by saying that the GOI had in fact approved the stop. At the regular weekly Department of Foreign Affairs Press Briefing on Friday, May 13, spokesman Yuri Thamrin clarified the issue, saying that Chen's plane had been granted permission to refuel only. Thamrin said the GOI had been "dismayed" that the aircraft had overstayed this authorization and that "some activities of the passengers were a violation of the technical landing permission." Thamrin added that the Taiwanese had not had "formal contact" with the GOI during the visit and reaffirmed that Indonesia still adhered to a One China policy. Coordinating Minister Widodo said that President Yudhoyono had reprimanded Governor Abdullah for his role in the affair.
- 15. (C/NF) Ambassador Sudrajat told the press that the PRC had protested the incident. Chinese Ambassador Lan Lijun confirmed this to Ambassador on May 16, but he did not suggest there would be any longer-term disruption in the PRC's relations with Indonesia. A contact at the Taipei Economic and Trade Office, Taiwan's official representation in Jakarta, flatly refused to discuss the affair with us, saying it was "too sensitive," in part perhaps of allegations that Taiwanese interests bribed local authorities to facilitate the stopover.
- 16. (C/NF) Comment. Although it is not clear what good the episode has done them, the Taiwanese appear to have successfully exploited the disorganization of the Indonesian central bureaucracy and, very possibly, the notorious venality of local officials. President Chen's stopover provides an object lesson in how easily the GOI's rickety national security apparatus is circumvented by special

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interests. There was clearly no effort by the GOI to boost Taiwan at China's expense, and the PRC seems to understand the holes in the Indonesian system as well as we do. End comment.
PASCOE